APPENDIX E-113 P

PHYSICAL INVENTORY CANCELLATION DOCUMENT

1. PURPOSE

   This appendix is applicable to chapter 7 and provides instructions for
manual preparation of the Physical Inventory Cancellation Document, DIC
ZAR, appendix B-113 for nonaccountable storage activities; and outlines
conditions under which inventories may be canceled by the Directorate of
Supply Operations.

2. INVENTORY CANCELLATION CONDITIONS

   Physical inventories may be canceled from the DSC's computer records
under the following conditions:

   a. Inventory Reject Document, DIC CK4, (appendix B-47) is received in
the Directorate of Supply Operations from a nonaccountable storage
activity.

   b. By direction of HQ DLA because of War Emergencies.

   c. Internal DSC and/or distribution activity workload or ADP program
problems which preclude completion of an inventory.

   d. Receipt of a Transaction Reject Document, DIC DZG, (appendix
B-260) rejecting a Physical Inventory Request Document (appendix B-26),
DIC ZJA, initially submitted by a DSC to a non-DLA storage activity (see
appendix E-338 P).

   e. Any other bonafide reason which precludes completing of an
inventory or renders it unnecessary.

3. RESPONSIBLE ORGANIZATIONAL ELEMENT

   The Inventory Accounting Branch within the Directorate of Supply
Operations is responsible for accomplishing these cancellation actions.

4. PROCEDURE/INSTRUCTIONS

   a. To cancel the inventory record in the Inventory Control Master
File for nonaccountable storage activities, processing personnel will
prepare a Physical Inventory Cancellation Document, DIC ZAR in the
format outlined in appendix B-113 and forward through IPC for processing
or input via SAMMSTEL Verb SODE as depicted in DLAH 4745.2, Volume I,
Part 1, DLA Remote Users Handbook.

b. For nonaccountable sites, the Inventory Monitor will coordinate the inventory cancellation action with the storage activity by telephone or TWX message.

5. FLOWCHART

   Flowchart not required.